



FOOD & BEVERAGE INDUSTRY

2024 REVIEW OF CORPORATE ACTIVITY

2024 Merger & acquisition activity in the food and beverage sector in 2024 was affected by persistent high interest rates with an adverse impact on consumer confidence and consumer spending. Comet Line Consulting's review of transactions in the food and beverage industry and key trends are summarised below.

Fewer transactions

The total number of transactions in 2024 amounted to 59, including 7 transactions in the alcoholic beverages sector. Excluding alcoholic beverages there were 52 transactions in 2024, a decrease from 53 transactions in 2023 and 63 transactions in 2022. In 2024 there were no transactions announced with a deal value of more than \$400 million. The only potential exception is the B&J City Kitchen acquisition by Woolworths which was still subject to ACCC approval at the date of this report. Four transactions with deal values of more than \$400 million were announced in 2023, four transactions in 2022, three transactions in 2021 and four transactions in 2020. Large transactions in 2024 include the acquisitions of Superior Food Group (\$390 million) and B&J City Kitchen (transaction size not disclosed).

Continued interest in specific sectors

Consumer behaviour trends have influenced investment interest in specific sectors over the past few years. Sectors with continued high levels of activity include alcoholic and non-alcoholic beverages and meat and poultry processing. The beverages sector had 9 reported deals in 2024, which was consistent with the 9 transactions announced in 2023. The baked goods sector also remained attractive to investors with 5 transactions announced in 2024, an increase on the 4 transactions in 2023.

IPO volumes remain low

There were no IPOs of food and beverage companies on the ASX in 2024. SPC Global merged with the Original Juice Co and the listing of the combined entity was reinstated on the ASX as SPC Global Holdings. The lack of new listings on the ASX limits the exit options for business owners to the private market. The number of IPOs of F&B companies have decreased over the past five years with no IPOs in 2023, two IPOs in 2022, one IPO in 2021, and four IPOs in 2020.

For the purposes of this review, we classified transactions in 2024 as **Primary Production, Processed / Packaged Foods** or **Other Food and Beverage**.

We hope you get value from reflecting on the 2024 transactions. If you have any questions, please do not hesitate to contact us at www.cometlineconsulting.com.au.

PRIMARY PRODUCTION

DAIRY & VALUE-ADDED DAIRY

Transactions announced

Date	Target Name	Acquirer
22 July 2024	Everest Ice Cream	Consortium of investors
18 Sept 2024	Synlait Milk (65%)	Bright Dairy
11 Oct 2024	Pure Dairy	Great Lakes Cheese

Three deals were announced in the dairy and value-added dairy sector in 2024, consistent with the three deals announced for the sector in 2023.

A consortium of investors that include Jonathan Pearce and Patrick Rodden acquired ice cream manufacturer and distributor Everest Ice Cream from Allegro Funds.

Bright Dairy increased its shareholding in Synlait Milk from 39% to over 65% by subscribing for NZ\$185 million of Synlait Milk shares at NZ\$0.60 per share.

Great Lakes Cheese, a leading U.S. natural and processed cheese packer invested an undisclosed amount in Pure Dairy to support the ongoing expansion of the Pure Dairy business.

FRESH PRODUCE & SALADS

Transactions announced

Date	Target Name	Acquirer
16 May 2024	Bostock Group assets and 50% of Profruit	Scales Corporation
11 July 2024	HS Fresh Food Group (in VA)	PM Fresh
26 July 2024	Premier Fresh Australia (70%)	Minority shareholders
3 Dec 2024	Fresh Produce Group (controlling stake)	Macquarie Asset Management

The fresh produce sector was active in 2024, with four deals announced in the year.

Scales Corporation, a New Zealand-based manufacturer and trader of food ingredients acquired 240 hectares of apple orchard assets from Bostock Group and the remaining 50% shareholding in Profruit (2006) Limited. The purchase consideration amounted to NZ\$47.5 million settled in cash.

PM Fresh acquired HS Fresh Food out of voluntary administration. HS Fresh Food is a supplier and distributor of processed vegetables and ready-to-eat salads to the retail and foodservice channels in Australia. HS Fresh Food entered voluntary administration on 14 June 2024.

NZ-based grower-owned co-operative, Market Gardeners Ltd, sold its 70% stake in Premier Fresh Australia to the Australian directors and minority shareholders of the company. Premier Fresh Australia is an Australian-based fresh fruit and vegetable supply chain company.

Macquarie Asset Management acquired a controlling stake in Fresh Produce Group. The deal placed a value of approximately \$350 million on the business. Fresh Produce Group produces berries, citrus and table grapes.



MEAT & POULTRY PROCESSING

Transactions announced

Date	Target Name	Acquirer
7 Mar 2024	Bostock Bros organic chicken business	Inghams Group
15 Mar 2024	Ellerslie Free Range Farms	PSP Investments
19 July 2024	Provincial Food Group	Consortium of investors
1 Aug 2024	Ashburton Meat Processing	SK Foods
7 Aug 2024	Prestige International	Mulwarra Export
19 Aug 2024	Kimberley Meat Co	Alberta Investment Management
3 Nov 2024	British Sausage Company	CPE Capital

Seven deals were announced in the meat, poultry & smallgoods sectors in 2024 compared to two deals announced in 2023 and three deals in 2022.

ASX-listed poultry producer, Inghams Group, acquired Bostock Brothers' organic chicken business for NZ\$35.3 million (A\$33 million). The acquisition included three freehold farming properties, a primary processing plant located in Hastings (NZ) and a poultry brand. The acquisition established Inghams as the leading premium poultry operator in New Zealand.

PSP Investments acquired majority ownership of Ellerslie Free Range Farms, an Australian egg producer, for about \$180 million. The investment represents the first investment in the Australian poultry industry for the Canada-based pension-fund investor.

Japan-based SK Foods acquired NZ-based meat processor and abattoir Ashburton Meat Processing for NZ\$15 million.

Alberta Investment Management Corporation acquired the Kimberley Meat Co beef processing facility from the administrators for approximately \$55 million. The transaction included a beef processing plant located near Broome (WA), two large pastoral leases covering 475,000ha and almost 14,000 head of cattle.

CPE Capital acquired a 50% shareholding in The British Sausage Company. The British Sausage Company was founded by Mick Ferrero in 1991 and supplies branded meat-based products including sausages, ham, bacon and burgers to the retail channel in Australia.



SEAFOOD

Transactions announced

Date	Target Name	Acquirer
8 July 2024	The Fish Factory Australia (80%)	Asahi Shokuhin Co
26 Sept 2024	East 33 Ltd	Yumbah Aquaculture

Two deals were announced in the seafood sector, down from three transactions in the previous year and five transactions in 2022.

Japanese food manufacturer and wholesaler, Asahi Shokuhin acquired an 80% stake in The Fish Factory Australia. The Fish Factory Australia is a Queensland-based seafood wholesaler and restaurant operator.

Yumbah Aquaculture acquired all the shares of ASX-listed oyster producer, East 33 via a takeover offer. The offer priced at 2.2c per share placed an equity value of \$16 million for East 33. The transaction follows Yumbah's acquisition of Eyre Peninsula Seafoods in 2023.



PROCESSED / PACKAGED FOODS

SNACKING and CONFECTIONERY

Transactions announced

Date	Target Name	Acquirer
20 Jun 2024	Kiwigarden	Pacific Lab Holdings
23 Jun 2024	Lagoon Confectioners	Darrell Lea Confectionery Co
9 Oct 2024	Healthlab (50% shareholding)	Proterra Investment Partners
1 Nov 2024	Vita Brits	Sanitarium
20 Nov 2024	Three snacking brands from Prolife Foods	Arnott's Group

The snacking and confectionery categories reported five transactions in 2024, down from the seven transactions announced in 2023 and an increase from the two transactions announced in 2022.

Proterra Investment Partners acquired a 50% shareholding in Healthlab from M.H. Carnegie and the Quinn family.

New Zealand petfood manufacturer Ziwi sold its infant snack food and dairy products subsidiary Kiwigarden to Pacific Lab Holdings. Pacific Lab Holdings is a Christchurch-based food manufacturer.

Sanitarium acquired the Vita Brits cereal brand from Nestle Australia. Sanitarium also owns the Weet-Bix brand and the acquisition of Vita Brits required and received approval from the ACCC.

Arnott's Group acquired three healthy snacking brands (Value Pack, Flemings and Mother Earth) from NZ-based Prolife Foods. Manufacturing of the three brands will remain in Hamilton, New Zealand.

PACKAGED FOODS

Transactions announced

Date	Target Name	Acquirer
29 Jan 2024	Sara Lee	Klark and Brooke Quinn
26 Apr 2024	Yowie (78.3% stake)	Keybridge Capital
6 May 2024	Birch & Waite Foods	Quadrant Private Equity
23 Jun 2024	Lagoon Confectioners	Darrell Lea Confectionery Co
2 Oct 2024	SPC Global and Nature One Dairy	Original Juice Co

The packaged foods sector was active with four transactions announced in 2024. The standout transaction was the acquisition by Quadrant Private Equity of a substantial shareholding in Birch & Waite Foods.

Klark and Brooke Quinn acquired the Sara Lee business as a going concern for \$19.4 million from voluntary administration. The Sara Lee business was placed in voluntary administration in October 2023. Sara Lee is a frozen dessert brand, best known for its frozen cheesecakes, crumbles and ice-cream with operations in Australia and New Zealand.

Quadrant Private Equity acquired a shareholding in premium liquids business Birch & Waite Foods. The remaining shareholders of Birch & Waite include Fortitude Investment Partners and Paul O'Brien, the Birch & Waite CEO. Media reports suggest the transaction valued the Birch & Waite business at more than \$300 million.



Original Juice Co merged with SPC Global and acquired the infant milk powder business of Nature One Dairy. Following implementation of the transactions the listing of the combined entity was reinstated on the ASX as SPC Global Holdings with a market capitalisation of ~A\$200 million.

BAKED GOODS & PREPARED MEALS

Transactions announced

Date	Target Name	Acquirer
13 Feb 2024	Adelaide Hills Foods	Cultivate Food and Beverage
17 July 2024	Noisette	George Weston Foods
30 Aug 2024	National Pies	Patties Food Group
2 Sept 2024	B&J City Kitchen	Woolworths Group
1 Oct 2024	ABC Pastry Holdings	Nissin Foods

George Weston Foods acquired national multi-brand artisan bakery business, Noisette from Next Capital. Noisette operates from manufacturing facilities located in Sydney, Brisbane and Melbourne.

Patties Food Group acquired the Hobart-based National Pies business. National Pies is a producer and wholesale supplier of chilled savoury products (mainly pies, sausage rolls and pasties) distributed in Australia.

Woolworths Group entered into an agreement that would result in Woolworths owning 100% of the shares in B&J City Kitchen and Beak & Johnston NZ. City Kitchen is a manufacturer of chilled and frozen ready meals in Australia and New Zealand and its brands include Strength Meals Co, Simone Logue and Pitango. The acquisition is subject to approval by the ACCC in Australia and the Commerce Commission in NZ.

Hong Kong-based food manufacturer Nissin Foods acquired ABC Pastry Holdings, an Australian manufacturer of frozen dumplings. The transaction placed a value of A\$33.7 million on ABC Pastry Holdings.

HEALTH & VITAMINS

Transactions announced

Date	Target Name	Acquirer
29 Feb 2024	Oborne Health Supplies	Clifford Hallam Healthcare
20 May 2024	bWellness	Nuchev
4 June 2024	Thompson's Herbs and Thursday Plantation	Homart Pharmaceuticals

The standout transaction in the health and vitamins sector was the acquisition of Osborne Health Supplies by Clifford Hallam Healthcare. Osborne Health Supplies is a leading distributor to the orthodox and complementary health sectors. Comet Line Consulting advised the owners of Osborne Health Supplies on the disposal to Clifford Hallam Healthcare.

ASX-listed Nuchev acquired bWellness, an Adelaide-based complementary health products supplier. Nuchev paid \$7 million for bWellness, settled in cash and Nuchev scrip. The purchase price was based on a 4.3x multiple of FY23 normalised EBITDA.

Homart Pharmaceuticals, a Sydney based complementary health and beauty products business acquired the Thomson's Herbs and Thursday Plantation brands from New Zealand-owned Integria Healthcare.

OTHER FOOD AND BEVERAGE

ALCOHOLIC BEVERAGES

Transactions announced

Date	Target Name	Acquirer
4 Jan 2024	Assets of Warburn Estate	Meditrina Beverages
3 April 2024	Mismatch Brewing Co 78 Degrees spirits	Consortium of investors
1 May 2024	Never Never Distilling Co	Asahi
14 May 2024	Black Hops Brewing	Consortium of investors
21 May 2024	Feral Brewing Co	Nail Brewing and Beerfarm
17 July 2024	Pernod Ricard portfolio of wine brands	Accolade Wines
19 Dec 2024	Billson's Beverages	The Coca Cola Company

Mighty Craft sold the assets associated with Mismatch Brewing Co and 78 Degrees spirits to a consortium of publicans and investors for a minimum consideration of \$7.2 million.

Adelaide-based premium gin maker, Never Never Distilling Co was acquired by Asahi. The gin business was set up 8 years ago and sold 100,000 bottles of premium gin in 2022-23.

Accolade Wines acquired a portfolio of Australian, New Zealand and Spanish wine brands owned by Pernod Ricard. Brands in the wine portfolio sold by Pernod Ricard include Australian brands: Jacob's Creek, St Hugo and George Wyndham, New Zealand brands: Stoneleigh, Brancott Estate and Church Road and several Spanish wine brands.

NON-ALCOHOLIC BEVERAGES

Transactions announced

Date	Target Name	Acquirer
7 Feb 2024	ProGel	Perkii
26 Aug 2024	Leeton Juice facility	Grove Juice
30 Oct 2024	Emma & Tom's	Soulfresh

Probiotic beverage brand Perkii acquired ProGel in a scrip transaction. The acquisition of ProGel secured key intellectual property to encapsulate probiotics used in the Perkii beverage products.

Privately owned orange grower and juice producer Grove Juice acquired Bega Group's Leeton juice extraction facility and related assets for \$11.4 million. Bega Group also entered into a long-term agreement with Grove Juice to process fruit juice at the Leeton site for Bega Group's beverage range.

Health and wellness brand Emma & Tom's was acquired by Soulfresh. Soulfresh was started by Didi Lo in 2003 operating from one van in Melbourne. Soulfresh comprises a portfolio of high-quality healthy food and beverage brands with distribution in Australia, NZ and the UK.



COFFEE

Transaction announced

Date	Target Name	Acquirer
4 Nov 2024	CIBO Espresso	Retail Food Group

Retail Food Group acquired Adelaide-based CIBO Espresso from Retail Zoo for \$2.7 million.

PET FOOD

Transactions announced

Date	Target Name	Acquirer
18 Mar 2024	Staughton Group	Lauridsen Group Inc
24 July 2024	SavourLife	SunRice

In the petfood sector, the acquisition of Staughton Group by Lauridsen Group Inc. for more than \$100 million was a standout transaction. Staughton Group is a pet food manufacturer that owns multiple pet brands across a broad product portfolio and makes dry pet food and meaty treats. The business also supplies local and overseas manufacturers with frozen meat products to use as ingredients.

SunRice acquired SavourLife for \$20.3 million. SavourLife specialises in premium dog food and treats and furthers the expansion of SunRice into the branded companion animal market.

Pet food remains an attractive sector for acquirers with limited entry points in Australia.

FOODSERVICE DISTRIBUTION

Transactions announced

Date	Target Name	Acquirer
4 Feb 2024	Superior Food Group	Metcash
4 Sept 2024	St George Foodservice	Godden Food Group

Metcash acquired Superior Food Services from Quadrant Private Equity. Superior Food Services is the third largest broadline foodservice distributor in Australia with a national distribution footprint. Metcash paid A\$390 million upfront, with potential for a deferred earn-out payment of up to A\$22.3 million. The purchase price implied an 8.9x EV/EBITDA multiple based on the trailing 12-months results of Superior Food Services.

DIRECT TO CONSUMER DELIVERY

Transaction announced

Date	Target Name	Acquirer
9 July 2024	Beer Cartel / Brewquets	Just Wines

Just Wines acquired online beer store Beer Cartel and gifting spin-off Brewquets for an undisclosed amount.



PLANT-BASED FOODS

Transactions announced

Date	Target Name	Acquirer
16 Jan 2024	Soulara brand	v2food
12 Feb 2024	Ananda Food	Elixinol Wellness
11 Mar 2024	Dirty Clean Food	Management team
15 Aug 2024	Oat Milk Goodness	Forbidden Foods
17 Oct 2024	Fenn Foods	Smart Foods

The plant-based foods category reported five transactions in 2024, an increase from the three transactions announced in 2023 and consistent with five transactions in 2022.

v2food acquired Soulara, a plant-based ready-meal brand. The acquisition will complement v2food's plant-based meat products with Soulara's vegetable-based meal offerings.

ASX-listed Wide Open Agriculture sold its Dirty Clean Food subsidiary to a consortium comprised of existing management of the business and led by CEO Jay Albany.

ASX listed Elixinol Wellness acquired Ananda Food from Ecofibre for an upfront consideration of \$2 million plus an earn-out of up to \$1 million.

Gold Coast based Smart Foods acquired the business of Fenn Foods from the liquidator of the Fenn Foods business.

OTHER

Transactions announced

Date	Target Name	Acquirer	Sector
28 May 2024	PETstock stores & clinics	Pet O	Animal health
4 July 2024	Wedderspoon Organic	Florenz (NZ)	Honey
30 Oct 2024	Simped Foods	Edlyn Foods	Frozen fruit
26 Nov 2024	Taste Rite Agencies	Hawkins Watts	Flavour and ingredient supply

Independently owned retail pet chain PetO, acquired 41 stores and 25 veterinary clinics from PETstock. PETstock is privately owned, with Woolworths acquiring a 55% stake in the business in 2022.

Edlyn Foods acquired Simped Foods, a well-known and highly regarded processor and distributor of frozen fruit and vegetable products for the foodservice and industrial channels. Comet Line Consulting advised the owners of Simped Foods on the disposal to Edlyn Foods.

The outlook for food and beverage businesses at the start of 2025 is more positive compared to the previous year. Businesses that are positioned for growth as consumer behaviour and purchasing habits evolve will be in high demand.

Comet Line Consulting is a strategic advisory business that specialises in acquisitions and divestments within the Australian and New Zealand food & beverage industry. Deep industry knowledge and strong relationships with business owners, trade investors and financial investors are defining features of the Comet Line Consulting business.



David Baveystock has worked in the Australian food and beverage industry for over 30 years and is considered a leading executive in the sector. Prior to Comet Line Consulting, David held an executive role at Manassen Foods and senior leadership roles during a 16-year career at Nestlé Australia.



Ben van der Westhuizen has 30 years corporate advisory experience. Ben advised on acquisitions, disposals and capital raisings with collective value in excess of \$2 billion. Ben has held senior corporate advisory roles with KPMG Corporate Finance, Challenger and PWC.

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